

Key Facts Supporting Investing in Rural Health Care

Compiled by Committee on Ways and Means

The CHAMP Act Preserves the Rural Health Care Safety Net: The Medicare Modernization Act (MMA) made some long overdue corrections to a number of significant flaws in Medicare payment that have made a tremendous difference to rural hospitals, doctors and other providers. However, many of these important rural provisions have or are set to expire, potentially jeopardizing vulnerable seniors' access to needed care. The CHAMP Act maintains Congress' commitment to rural America by extending these critical rural provisions for an additional two years.

Ensures that Rural Doctors are Paid the Same Rate for Their Work as Their Urban Counterparts: Prior to the passage of the MMA, the Medicare reimbursement formula penalized doctors for practicing in rural areas, jeopardizing seniors' access to quality health care close to home. The CHAMP Act helps rural physicians keep their doors open to seniors by preserving this much needed payment equity reform.

Provides Bonuses to Encourage and Reward Doctors that Practice in Areas Where There is a Shortage of Physicians: Only 10 percent of physicians practice in rural America even though more than a quarter of the population lives in these areas. In order to ensure greater access to quality health care services in rural areas, the CHAMP Act preserves a five percent incentive payment for doctors practicing in underserved areas to help recruit and retain physicians where they are needed most.

Helps Certain Rural Hospitals Cover their Lab Costs: In its March 2007 report, the Medicare Payment Advisory Commission (MedPAC) projected that rural hospitals would experience a Medicare shortfall as high as 5.4 percent of costs. This would occur in part because rural hospitals have lower patient volume than their urban counterparts, making it more difficult to sustain much needed services such as laboratory tests. The CHAMP Act helps to maintain access to routine lab tests and analyses for patients living in rural areas by paying small rural hospitals 100 percent of reasonable costs for performing clinical laboratory tests.

Protects Other Providers in Rural Areas – Such as Rural Home Health Agencies and Ambulances – and the Beneficiaries for Whom they Provide Care: It costs rural home health and ambulance providers more than urban counterparts to provide critical services to seniors because of the greater distances rural providers travel. The CHAMP Act ensures seniors' access to these services by continuing to provide home health providers an additional five percent and ambulance providers an additional two percent of their Medicare reimbursement in order to help cover the costs of these important services.